

## **“International Business Sustainability and Impact on Emerging Youth Business Leadership in Middle East and United Arab Emirates”**

**SYED AFTAB AHMAD<sup>1</sup>, SUNIL AGRAWAL<sup>2</sup> and FARHAN KHAN<sup>3</sup>**

<sup>1</sup>Business Consultant, UAE  
& Research Scholar,  
CRIM UTD Barkatullah University, Bhopal, INDIA.

<sup>2</sup>Assistant Professor, Management,  
Mittal College of Technology and Management, Bhopal, INDIA.

<sup>3</sup>Head CSR,  
Reliable Group of Industries, Bhopal, INDIA.

### **ABSTRACT**

Middle East and United Arab Emirates have already established its premier position in Diplomacy and International Business covering both European and American on one hand and Asian including China and India, emerging economies, on the other, due to their geographical location and prudent talents of its Kings and Amirs in reigning the area. The youth, new generation, is well equipped with contemporary knowledge, Science and digital technology including space engineering, modern business and negotiation techniques at Global level. But to hold “No. 1 position” and maintain it, needs sustainability and as eye on future vision and mission for broader horizon.

India, a big democracy and pioneer with its ancient philosophy, mathematical knowledge, modern IT digital skill with its indigenously developed space technology for peace and betterment of humanity, is ready to share its experiences on win-win basis, based on trust and respect with its basic principle “Vasudhaiv Kutumbakam-The Whole Universe is a big Family” needs human development and welfare.

In this perspective, the research study focuses on International Business Environment and new roles of two continents. Malaysia Air Asia has set to enter in India, while simultaneously funds have flushed troika from the Gulf, Emirates, Etihad and Qatar, who are also well placed to catch the tail winds on the Indian flight path. Maintained balance and stand up right is the mantra of India for sustainable economic growth. Conceptually framed model has been validated with the empirical study based on 300 respondents.

The results are encouraging and findings may enlighten some mile stones on strategic management and policy formulation for developing young

business leadership in Middle East and India. Moreover, Indian experience of women empowerment in its political demographic setup from Panchayat (grass root unit of administration) to Parliament has proved successful but lacks the quotient (ethics and earnestness in law operation) can be borrowed from Middle East, to turn it into Universal law for better use of well being of mankind.

**Keywords:** International Business Environment, strategic management, policy formulation, empowerment, demographic.

## INTRODUCTION

International business sustainability has emerged after the popularity and usage of the term globalization. Globalization has been defined by many academicians and business executives according to their references of situation, business and segments. Maznevski, has attributed it to 'extreme complexities'. The delineates it as global complexity' into four mutually influential dimensions, ambiguity, interdependence, diversity and fast flux. Ambiguity arises in extrapolating cause and effect relationship, interdependence denotes 'everything is connected to everything'. Diversity points to the condition that everyone and everything manager must interface. Fast Flux is unpredictable, over whelming, rapid change inherent in extreme complexity. Maznevski argues that only way to deal with complexity is to develop a coader of executives, managers and workers who has the competencies to work within complex environment in ways that increase potential rather than dysfunctional organizational outcomes i.e. business sustainability. Mark E Mendanhatt in his research study on Three necessary questions for global leadership development in India has identified six competency dimensions 1) Cross cultural Relationship Skills, 2) Traits and values 3) Cognition 4) Global Business expertise, 5) Global organizing expertise, and 6) Vision. These all competencies when applied in managing the business at Global level will bring success and their judicious applicability

will result into international business sustainability.

## INTERNATIONAL BUSINESS SUSTAINABILITY IN INDIA AND UAE ECONOMY

President of India, Pranab Mukherjee, addressing a galaxy of corporate leaders at the 2012. Business standard Annual Awards function (March 2013) Bombay, said, "Despite the financial crisis which created mayhem in the largest economy of the world, India was able to withstand the turbulence and register a growth rate of 6.7 percent in 2008-2009. We steered through the rough economic weather and achieved 9.3 percent economic growth in 2010. "The President asked corporate sector to take the reform process forward especially in R&D. Only 4200 patent applications were filed in India as against 5, 00,000 applications each China and USA.

These innovators are change agents with their inquisitive minds and skilled hands, many grassroots innovators in India are devising methods and machines to solve problems around them, be it small household chores or even their vocation. Even without access to their mostly frugal innovations are changing lives and livelihoods-their own and those of others around them

Maintenance of the industry over the long run and its role in the larger social, economic and environmental context are issues of sustainability. These issues exist in a dynamic socio political context. Progress on

achieving sustainability is also limited to the needs and means and the bear ability of the population. The concept was developed by welfare economists who pointed out their concern on the exploitation of resources in injudicious way till the capacity of resources demised with the pressure of population.

India & Middle East, UAE have developed their tourism industry and trying to keep the tourism industry as sustainable. Thus paradigm has shifted from product to service sector for sustainability Stephen F. McCool has studied sustainability in the tourism context. He tried to clarify sustainability and its application for sustainable tourism. The development of sustainable tourism in 1990's represents its contribution as catalyst not only to sustainability but also a measure to correct the regional imbalances. The economic WTO report not only clarifies its position as a (organ for) constituent for the economic development but it is a major player in the global economy. Critics have also fingered out on its social and environmental degradation role. With so much at stake the long term survival of the travel and tourism industry is the most fundamental question confronting it today.

Many authors have opposed that sustainable tourism (alternative green tourism or ecotourism) he developed to address the social environment 1990 and economic issues associated with tourism industry (butler 1991 program Hunter in 1995 raised a question to developing a sustainable tourism industry in a world that is once both turbulent and evolving is what should the industry sustain? Although several authors have noted that the question is critical to development of appropriate government policy and strategies for private business, the definite of sustainability and its goals remain important in the sustainable tourism literature (Hunter 1995).

Hunter further stated that the meaning of sustainability can be articulated through the

indication that organization and governments develop to monitor to its achievement. Indicators are quantitative variable measured periodically that reflect the condition of the society's social important issues. They also suggest efficacy of particular actions designed to achieve attainment of specific goals. Such Indicators reflects definition what it is that should be sustained. Agreement on what should be sustained is a prerequisite to develop policies leading to sustainability and to identify indicators that can be monitored to determine if current policies are leading to sustainability.

Silver R(1976), he narrated in "The sustainability society, Elhies and Economic Growth" that sustainability was employed to describe an economy in equilibrium with basic ecological support system. 451COMOS, International council on monuments and sites (1996) observed that cultural tourism as a name means many things to many people and herein lies its strength and weakness. According to tourist sustainability Directory in Chapter on community based tourism defines which is initiated and almost always operated exclusively by locals and indigenous people.

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## REVIEW OF LITERATURE

Babu V (2011) focused on "Divergent leadership styles practiced by global managers in India" while stress was also given on leadership styles by Berger, R choi and Klim J (2011) in his study on "Responsible leadership for multinational enterprises in Bottom of Pyramid Countries. The knowledge of local managers. Bodlam and Nawaz M(2010) investigated "Transitional leadership style and the relationship with satisfaction new area of business leadership was touched by Botha S

and Classen M(2010) "Leadership competencies of the Bachelor in management and leadership to the development of leaders at First National Bank, South Africa. "Authentic leadership and budget Building: superintendents Reveal origins, strategies and connections" was correlated by Bird JJ and Chuang W (2011). Similarly, Best C k 2010 "Assessing leadership Readiness, using developmental Personality style: A tool for leadership coaching". "Public Relationship leadership in corporate social responsibility" was taken by Benn S todol L and Pendleton J (2010).

Richard (1996) examined and concluded "cultural tourism is important for various reasons, it has a positive economic and social impact, it establishes and reinforces identity, it helps preserve the culture and heritage, with culture as an instrument it facilitates harmony and develop understanding among people, it supports culture and renew tourism. J M Flad mark (1994) study reveals. "we can see therefore, that cultural heritage tourism is not only concerned with identification, management and protection of the only concerned with it must also be involved in understanding the impact of tourism on communities and regions, achieving economic and social benefits, providing financial resources for protection, as well as marketing and promotion.

### **Research methodology and research design**

Theory based studies remain strong in conceptual framework while, classification of facts crystallize the problem and opt to collect the relevant data about it. The possibility for extrapolation from known to unknown facts needs theoretical base. A strong theoretical base enables the facts to arranged, which are necessary for taking a scientific enquiry and in this way the gap is identified and is filled by new information. Fact forms the basis of theory

which is formulated, defined and classified whenever necessary. A fact sometime may falsify the existing theory and becomes the basis of new theory. Scientific method has two important bases, one which deals with the methods employed and other with the results obtained. Obviously the later is most important. Research Design is the plan of the research work to be understood at various stages. Proof young has denoted it as "Research design is arranging of conditions for collection and analysis of data in a manner that aims to combine the relevance to the research purpose with economy in back drop".

### **Hypotheses**

Once the problem which is to be answered in the course of research is finally instituted, the researcher proceeds to tentative solution or answers to it. These proposed solution or explanations are called hypotheses. The function of hypothesis is to state a specific relationship between phenomenal in such a way that this relationship can be empirically tested.

In this study following hypotheses have been formulated.

1. UAE & Middle East and India on the basis of their resources and talents can achieve first position in the world of International Business and can maintain it.
2. Youth in both continents have to prove efficiency, efficacy and market productivity in competitive world to be achiever.

### **The objectives of the study**

1. To access and analyze the factors responsible to achieve and maintain position first in International business operations.
2. To investigate the present position and future perspective of consistency of youth in business leadership in UAE, Middle East and India.

This study is based on both published data issued by stake holders and to filled the gap by survey method with questionnaire, interviews and personal observations.

### **Concept of Sustainability**

Sustainability involves the world resources for future generation. We are now thinking and becoming more aware of the need to think about the future consequences of our action and just live in the present. Our decision and actions today impact our ability to have the same degree of choice in the future, thus sustainability is an important concern for private individual, business and government. Organization considers human ecology when planning for future development. There should be consumer and community involvement, reactions and attitude to corporate sustainability practices.

### **BUSINESS LEADERSHIP - AN INDIAN PERSPECTIVE AND EXPERIENCE**

Business opportunities like buses, there is always another one coming. (Richard Branson 2013) But finding an able replacement, when the CEO decides to take a break is a tough task as grooming people in times of need does not happen overnight. CEOs will have to invest time and energy nurturing the organization next level of leadership by recruiting the right kind of people and empowering them to take critical decisions during emergencies. This can be started with providing cross functional training and exposing their direct reports to different function in the organization through on the job training, regardless of their original role to help their team members gain a well rounded knowledge about all aspects of the business. A new leadership model that is gaining prominence in India incorporation is shared leadership. Marshall Goldsmith, author and management expert expresses, “shared leadership involves maximizing of the human

resources in an organization by empowering individuals and giving them an opportunity to take leadership in their respective area of expertise. There are different patterns of the same (a) Where leadership roles are shared between two individuals (b) Where leadership responsibility is shared within a team.

Maruti Suzuki follows a shared leadership pattern where each vertical is headed by an Indian COO as well as a Japanese director. The Japanese director contributes the best of global practices and the Indian COO contributes sound knowledge of Indian customers markets, culture and realities. “The shared leadership has helped us in expansion of dealerships, lead to success in rural markets and enhanced manufacturing excellence and productivity” adds S. Siddiqui(2013) Mr. Sanjay Singh(2013) feels “achieving team dignity to common goal in an organization as maruti, maturity of the organization, quality of people clarity of vision, effective communication, innovation, etc. are factors that need to be taken care of before going in for shared leadership. The organization must have a high spirited workforce, employees friendly HR policies, and strong and a passionate leader who could actually work with employees and management to pull off this kind of initiative in the organizations interest, as changing business scenarios and complex market situations, the demands on leadership are humongous and burden some for a single person so sharing could be the right way forward! Similarly , CFO is transforming from being perceived as “business support” to one of “business partner”, this change is being driven top down, where he is involved in key decision making process.

Mihalay M(2013) author of “Good Business”, leadership, Flowaud the making of meaning narrated in it, “A business is successful to the extent that it provides a product or service that contributes to happiness in all of its forms, as the purpose of business is

to satisfy existing desires or stimulates new one. Business needs leaders who should be lively and active. Franck Dardenne, Country head, LUMH watch & Jewellery, India (1203) while replying to an interview question. Being a French, how a leader adopts to the cultural barrier? He replied, "The first difficulty I faced in India was to make my English understood, despite the French accent. I have understood that a leader is best when he/she is respectful, authentic and remains, who he /she actually is He/She should be able to impart clear and frank indications, being artificial and open the set of appreciates and criticism in front of colleagues and seniors. He showed strong support to his partners when they faced difficult situations, despite direct way of conducting business- with a will to implement clear guidelines to pay tribute to our brands- the clients found us on their side. Since leadership implies convincing colleagues and partners, one must adopt to the communication style of the respective country. Business style in India is warmer than in some other countries.

A business leader should be a good planner –and executor too. Role of leadership is proved during the time of crisis. Many good leaders go for a toss and bad leaders arrive just because capacity to deliver while everyone else is broken. In India the watch market is impacted, however, it still grew by 9% in 2012.

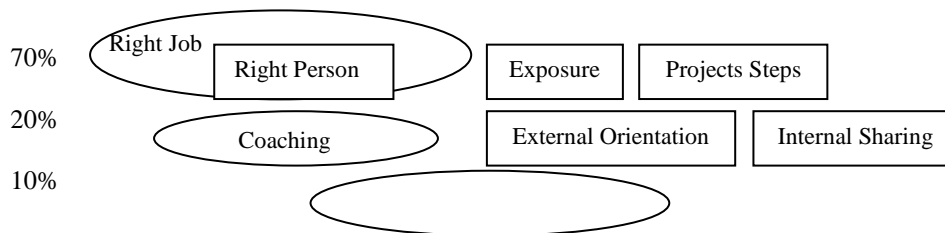
A leader should have clarity about the brand positioning innovation and good distribution that makes brand successful. As regards future of his product he clarified that co has invested a lot in India because on 24<sup>th</sup> position in luxury watch market, it will be soon in the top 10. It is already better in the ranking of our brands. Of course we don't know when there will be boon for luxury goods, but one day it will come and then we will receive dividends of our investment. How do you plan to penetrate further in India?

Frank Dardenne reply was, "It depends on the strategy and the maturity of the brands. In the case of Doir, Which is available at 3lakes and above penetration implies narrowing the network? In the case of Zenith present at 6 points of sales and launched in September 2010, the main focus is the top three metros. Many retailers want this brand, which is good but before expanding the distribution, we want to become successful with a limited number of doors.

#### **Leadership Development at Hindustan Unilever Ltd. (HUL)**

Leadership Development at HUL is about analyzing, understanding and processes, and sometimes not always evident from outside, a collective expertise, honed through practice in recognizing and developing talent.

#### **Leadership Development**



40% of leadership time is invested in building talent for tomorrow passionate, periodically reviewing talent list, coaching and mentoring

high potential talent, and providing opportunities to groom them for bigger jobs. Eventually it is leaders who build leaders

### **Leadership Experiments of Gujarat Cooperative Milk Marketing Federation-GCMMF Amul the White Revolution**

Vision Mission and strategy (VMS) framed by the cooperatives. Organizations try to solve their problems by creating positions and authority and placing their preferred employees in those positions that would have the responsibility to solve organizational problems and improving quality at the cooperative level. There was success at the first awareness programme with regards to 'What and Why we need to change'. Later on initiatives were taken like clean milk production, 'House Keeping and installation of quality system ISO 9000 in village cooperative societies gave a lot of confidence to the design team and also to the participants. Conducting self leadership programs at the village level gets leadership built through self learning practices is not party politics driven, even don't need government props, it will sustain over the years even without external support. When 10,000 chair persons their 90,000 committee members come forward and lead milk producers it gives invaluable experience in leadership and embolden them to take higher level initiatives.

### **Tata Chemicals Ltd: Transformation Facet**

TCL has been able to build a brand from being a commodity company; TCL now has a global foot print. Today, the company has a total turnover (net sales) of Rs. 10,895 corers in 2011 as against Rs. 2,524 corers in 2003-2004. From two plants in India, there in UK, one in US and one in Kenya. The efforts at transformation from 2002 to 2010 have provided remarkable results for TCL. The investment in the leadership team has given great results as returns for the company. There was phenomenal retention within this group. Today 80 percent of the critical positions are being manned by MD plans across levels. Over

all within the organization; there is ability to handle change in a thoughtful and mindful manner. This was demonstrated in an extraordinary manner when the downturn hit the company.

### **The HR Model Comprises**

Need for change->Business Imperatives->change in climate/culture-embedding of culture pillars 1) Reduction cost focus 2) speedy execution 3) collaborative responsiveness->intervention plan-> to align and focus, defend, consolidated and grow->for ultimate competitive advantage.

### **Leadership Development in Siemens**

Siemens as an organization terms of products and process to be a leader in this emerging marketing landscape. The average age of employees is rapidly reducing this younger talent pool has competitive expectations about their career from the organization they work for. Thus, it is believed that giving this younger generation of talent a long term view of their career progression within the organization would not only keep them energized and engaged but also assume the organization a healthier leadership pipeline. The corporation vision is that Siemens executive will be best in class leaders. It strives to fulfill that by developing the executive leadership skills of individuals and teams as well as growing and transforming organizations.

The SLE core curriculum covers five sections

1. Corporate Management
2. Top management
3. General Management
4. Advanced management
5. Management way forward

Siemens strongly feel that leadership development has to be centre of business strategy for future growth in the global market

place. Learning journey has to be from within and in partnership with the best business schools around the world.

### **Saudisation for equipping youth with business leadership**

In distant Saudi Arabia, a law on employment quota has kicked in, making it mandatory for all private firms with a labor force more than 49 employees to set aside upto 25% jobs for Saudis. Initiated a decade ago, the law, referred to as “Nitaqat” aims at staggered Saudisation of the economy through employment through Saudi Arabian citizens as more and more of them enter the job market. There was a time when Saudi’s world not even considers working for a living, now that handouts are shrinking; they are not so disdainful of taking up jobs. Also to its credit, the Saudi Royal Family realized long before other Arab rulers did that idle minds on the Arab Street is not in the interest of the Arab Palace. In last week of March 2013, Nitaqat law will operate without exemption or extensions.

The vast expatriate workforce that drives the Saudi economy is worried more so workers from countries with few or no jobs waiting for them back home. Among them are Indians, at least 20 Lakhs of whom live and work in Saudi Arabia. A Third of the Indian community comes from Kerala. With the global economy going nowhere few would stand a chance in getting jobs elsewhere. In such situations salaries are undercut by too many people chasing too few jobs. As a sovereign state, Saudi Arabia is at liberty to adopt and implement laws it believes are beneficial for its interests. But surely India can prepare itself to absorb the fallout of decisions that have been in the making for a decade.

India has much to share with others to build and reengineer their economics by developing its own as it did in past in Saudi Arabia. Indian Business schools of top class are

ready to share their skill and business knowledge with the world through E education.

The Indian Institute of management (IIMs) is planning to introduce smart classes, which could be shared among all countries of the institute on live. The move aimed at beating faculty crunch, is expected to involve global universities, too. Smart classes is an innovative move which helps, students get the best on a particular subject. According to the plan, videos of lectures by faculty members could be shared on time or through video conferencing. This will help the IIMs and its students in a big way. The Indian Institutes of Technology, too, have a similar project through the national program on technology enhanced learning (NPTEL). This endeavour will not be restricted within the country; plans are being evaluated to make it global.

Another approach to reach the customer has been adopted by Wipro, India’s third largest Information Technology (IT) Service Company with Annuity model. According to the annuity based model, a service provider drives revenue from a client at regular intervals in lieu of the services and solutions it might have offered in the past. This helps both client and the company builds a stable revenue stream during uncertain times. In this way, making sustainability profitable turns true. Ibrahim Abouleish founded Sekem, Egypt’s First organic farm in Cairo in 1977. Organic produce entered in mainstream, western stores become crazy for organic products and worldwide demand for all things organic began to surge. Sekem’s farming techniques helped reclaim arable land from Sahara, which had been spreading into the Nile delta. With organic farming techniques, soil absorb more carbon dioxide from the atmosphere, decreasing greenhouse gases and now cotton crops need 20% to 40% less water. India has such agricultural researches and experience to share with the world.



## DISCUSSION

Leadership development is triggered by diverse factors. In the ultimate analysis, the leadership development journey at both individual and organizational levels is not a linear transit but an ever evolving spiral. As fellow practioners, perhaps our only role in the journey is fellow bearers who can help them pack what they need in the journey. Organizations need to engage in comprehensive planning of leadership development starting from who to choose, how to develop them, how to manage their careers and expectations and how to make organization ready for absorbing their growth.

## CONCLUSION & RECOMMENDATIONS

Every CEO today irrespective of industry or country has a well rehearsed speech on how developing the next generation of leaders is the biggest challenge. Even with an array of multitude of models the struggle to define leadership development and a multidimensional approach to it persists. Mindful awareness work at everything in and about the system. The “what is “the “desired”, the resistance and the paths ahead. The core change that we are witnessing in our approach to leadership development is how we are increasingly involving the client and emphasizing co creation of the design of the intervention. We see the partnership helping both of us. Stand alone leadership intervention do not guarantee sustained learning and application on the job. What is critical to make learning come alive and meaningful in the work place is to design ways to sustain learning to lead.

## Areas for further research

1. Leadership Behavior is successful organizations: universal and situation-Development.
2. Leadership of place in the rural periphery in India.
3. Transformational leadership and commitment: A multinational analysis of group level analysis
4. The dilemma of leadership styles and performance appraisals strategies.
5. Leadership and creativity in Regional Economic Development.
6. Transformational leadership and its impact on sales force moral judgment.
7. The critical factors of effective leadership in organization: An ideographic investigation using Lens Model.

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